Department of LABOR AND INDUSTRIES

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PROVIDER BULLETIN

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THIS ISSUE

Nursing Home, Transitional Care Unit, Adult Family Home and Boarding Home Payment System

TO:

Nursing Facilities
Transitional Care Units
Boarding Homes
Adult Family Homes
Self-Insured Employers
Hospital Discharge Planners

CONTACT:

Provider Hotline
1-800-848-0811
From Olympia 902-6500

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Purpose

This Provider Bulletin explains the new L&I facilities payment system, including policies and fees, for residential care facilities including Nursing Homes (NHs), Transitional Care Units (TCUs), Adult Family Homes and Boarding Homes.

This bulletin pertains to claims authorized on or after January 1, 2005 that are covered by the State Fund for services provided in residential facilities. This bulletin does not apply to State Fund claim coverage for injured workers in a residential care facility on or before January 1, 2005. This bulletin does not apply to self-insurers. For information regarding self-insurer requirements contact the self-insurer directly.

Background

Historically, payment for services provided by residential facilities for State Fund claims was based upon a negotiated rate between the department and each authorized residential facility. The negotiated payment method provided the department with limited means to manage expenditures and did not provide consistency in payment for similar residential services.

Claim specific, existing negotiated payment arrangements for State Fund claims will continue until the injured worker's need for services no longer exists or until the injured worker is admitted to a new facility.

Description of the policy or program information

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What types of services are being affected?

Residential services comprising 24-hour institutional care delivered by DSHS-licensed providers with an active L&I provider account number including

- Nursing Homes,
- Transitional Care Units,
- Adult Family Homes and
- Boarding Homes.

Existing individual facility negotiated arrangements for State Fund claims will be honored under the new payment system until the injured workers need for services no longer exists or until the injured worker is admitted to a different facility. No reductions in negotiated payment rates are anticipated.

Who may provide the services?

- Nursing Homes (NH) licensed by the Department of Social and Health Services (DSHS)
- Transitional Care Units (TCU) doing business as part of a Nursing Home or Hospital and who are covered by the license of the Nursing Home or Hospital
- Adult Family Homes certified by DSHS
- Boarding Homes licensed by DSHS

For State Fund claims, providers must obtain a separate provider account number from L&I for each type of service performed.

What types of services does the department cover?

Upon pre-authorization by an L&I Claims Unit Occupational Nurse Consultant (ONC) the department covers proper and necessary residential care services that meet the injured worker's needs, abilities and safety.

What services are included in the new system?

There are no changes in the types of services the department is covering. The department's payment methodologies, however, are changing.

How was the Nursing Home and Transitional Care Unit fee schedule developed?

The department used a modified version of the skilled nursing facility prospective payment system, developed by the Centers for Medicare and Medicaid Services, as a basis for developing the L&I residential facility payment system. The initial fees are included in this bulletin.

The fee schedule for NHs and TCUs is a series of daily facility reimbursement rates including room rate, therapies and nursing components depending on the needs of the injured worker. Medications are not included in the L&I rate. The L&I rate applies to State Fund claims only.

How do you bill for pharmaceuticals and Durable Medical Equipment?

Only pharmacies can bill for pharmaceuticals on State Fund claims. Special Durable Medical Equipment (DME) and pharmaceuticals required to treat the injured worker's accepted condition on State Fund claims must be billed separately to the department. For billing procedures on self-insured claims, contact the self-insurer directly.

How do residential care facilities receive authorization?

L&I Claims Unit ONCs are the only sources that can authorize residential care services for State Fund claims. The Claims Unit ONC and the admissions coordinator of the facility discuss the care needs of the injured worker, and the Claims Unit ONC authorizes an initial length of stay. Contact the Claims Unit ONCs at (360) 902-5013.

For authorization procedures on a self-insured claim, contact the self-insurer directly.

All State Fund residential care services require prior authorization. To receive payment, providers are responsible for notifying the department when they agree to provide residential care services for an injured worker.

In order to receive payment for State Fund claims, services must be:

- Proper and necessary; and
- Required due to an industrial injury or occupational disease; and
- Requested by the attending physician; and
- Authorized by an L&I claims unit ONC before care begins

Nursing facilities and transitional care units providing care for a State Fund claim injured worker must complete the most current version of the Minimum Data Set (MDS) Basic Assessment Tracking Form (available from the Centers for Medicare and Medicaid Services at: http://www.cms.hhs.gov/medicaid/mds20/man-form.asp) for the injured worker within five working days of admission, the same time limit as when serving Medicare patients. This form or similar instrument will also determine the appropriate L&I payment group. Failure to assess the injured worker and to report the appropriate payment group to an L&I Claims Unit ONC may result in delayed or reduced payment.

What if the care needs of an injured worker in a Nursing Home or Transitional Care Unit change?

For State Fund claims, if the care needs of injured workers admitted on or after January 1, 2005 change; a new assessment must be completed and communicated to an L&I Claims Unit ONC or self-insurer. If the initial length of stay needs to be extended, or if the severity of the injured worker's condition changes, providers must contact an L&I Claims Unit ONC for re-authorization of the injured worker's care.

For policies regarding changes in the care needs of self-insured claims, contact the self-insurer directly.

Will the department review residential services?

The department or its designee may perform periodic independent nursing evaluations of residential care services provided to State Fund claim injured workers. Evaluations may include, but are not limited to, on-site review of the injured worker and review of medical records. For review procedures on a self-insured claim, contact the self-insurer directly.

All services rendered to injured workers for State-Fund claims are subject to audit by the department as instructed by the legislature in RCW 51.36.100 and RCW 51.36.110.

How will the payment system changes affect injured workers and providers?

Injured workers: None of the changes should impact the care injured workers receive with regards to State Fund claims. Injured workers receiving treatment in a residential care facility prior to the effective date of this bulletin will experience no change in their covered care arrangement.

Care for State Fund injured workers who receive initial treatments beginning on or after January 1, 2005 will be billed according to the new fee schedule or new daily rates appropriate for the type of facility providing treatment.

Provider facilities: Providers who are treating State Fund injured workers prior to January 1, 2005 will have their negotiated arrangements continue until the injured workers' need for those services ends or until the injured worker is admitted to a new facility. No reductions in payments are anticipated.

Providers beginning treatment on a State Fund claim on or after January 1, 2005 will utilize the new fee schedule or new daily rates appropriate for the type of facility providing treatment and must meet other requirements outlined in this bulletin.

What are the requirements for billing, payment and record keeping?

Providers with existing negotiated arrangements for State Fund claims may continue their current arrangements and bill using code 8902H for the remainder of the time the injured worker is treated. Care for any injured worker admitted to a facility on or after January 1, 2005 must be billed using the new fee schedule and codes.

For billing, payment and record keeping requirements on self-insured claims, contact the self-insurer directly.

Billing rules:
The primary billing procedures for State Fund claims applicable to residential facility providers can be found in WAC 296-20-125, Billing procedures.

Billing forms:
All State Fund Residential Care Services should be billed on this form:
F245-072-000 Statement for Miscellaneous Services found at:
http://www.LNI.wa.gov/Forms/pdf/245072af.pdf

Payment requirements:
You must have an approved provider account number from L&I in order to be paid for services on State Fund claims. Hospitals operating a TCU must have a separate L&I provider account number for the TCU. Any licensed NH, TCU, Boarding Home, or Adult Family Home can apply for a department provider account number. Obtain the necessary forms at http://www.lni.wa.gov/forms/pdf/248011a0.pdf

> NOTE: For State Fund claims, TCUs must obtain a new L&I provider account number specifically for the TCU or payment will be delayed. If a TCU already has a separate provider account number, that number must still be active.

Facilities operating multiple types of care units (e.g., NHs or adult family homes with boarding home beds) must obtain a separate L&I provider account number from the department for *each type* of care unit in operation. Nursing Facilities must utilize a pharmacy for medications. The department will only pay pharmacies with a separate L&I pharmacy provider account number for medications.

Documentation and record keeping requirements:
Documentation and record keeping requirements for State Fund claims can be found in the General Provider Billing Manual F248-100-000. The general provider billing manual is available by request from the department by calling 1-800-848-0811.

For documentation and record keeping requirements on self-insured claims, contact the self-insurer directly.

State Fund Claims:

FEE SCHEDULE - NURSING HOMES & TRANSITIONAL CARE UNITS Effective 1/1/05

Medicare RUG Code	If the injured worker's care groups to this group…	…L&I pays for care with this group…	…and L&I pays this Rate.	Bill Using This Procedure Code
RUC	Nursing Facility Rehab - Ultra High 16-18	**Rehab - Ultra High**	**$495.34**	**8880H**
RUB	Nursing Facility Rehab - Ultra High 9-15			
RUA	Nursing Facility Rehab - Ultra High 4-8			
RVC	Nursing Facility Rehab - Very High 16-18	**Rehab - Very High**	**$376.43**	**8881H**
RVB	Nursing Facility Rehab - Very High 9-15			
RVA	Nursing Facility Rehab - Very High 4-8			
RHC	Nursing Facility Rehab - High 13-18	**Rehab - High**	**$338.57**	**8882H**
RHB	Nursing Facility Rehab - High 8-12			
RHA	Nursing Facility Rehab - High 4-7			
RMC	Nursing Facility Rehab - Medium 15-18	**Rehab - Medium**	**$330.35**	**8883H**
RMB	Nursing Facility Rehab - Medium 8-14			
RMA	Nursing Facility Rehab - Medium 4-7			
RLB	Nursing Facility Rehab - Low 14-18	**Rehab - Low**	**$260.43**	**8884H**
RLA	Nursing Facility Rehab - Low 4-13			
SE3	Nursing Facility Extensive Services 3	**Extensive Services**	**$307.84**	**8885H**
SE2	Nursing Facility Extensive Services 2			
SE1	Nursing Facility Extensive Services 1			
SSC	Nursing Facility Special Care 17-18	**Special Care**	**$231.87**	**8886H**
SSB	Nursing Facility Special Care 15-16			
SSA	Nursing Facility Special Care 7-14			
CC2	Nursing Facility Clinically Complex 17-18D	**Clinically Complex**	**$230.53**	**8887H**
CC1	Nursing Facility Clinically Complex 17-18			
CB2	Nursing Facility Clinically Complex 12-16D			
CB1	Nursing Facility Clinically Complex 12-16			
CA2	Nursing Facility Clinically Complex 4-11D			
CA1	Nursing Facility Clinically Complex 4-11			
IB2	Nursing Facility Impaired Cognition 6-10NR	**Impaired Cognition**	**$173.22**	**8888H**
IB1	Nursing Facility Impaired Cognition 6-10			
IA2	Nursing Facility Impaired Cognition 4-5NR			
IA1	Nursing Facility Impaired Cognition 4-5			
BB2	Nursing Facility Behavior Only 6-10NR	**Behavior Only**	**$171.89**	**8889H**
BB1	Nursing Facility Behavior Only 6-10			
BA2	Nursing Facility Behavior Only 4-5NR			
BA1	Nursing Facility Behavior Only 4-5			
PE2	Nursing Facility Physical Function Reduced 16-18NR	**Reduced Physical Function**	**$186.55**	**8890H**
PE1	Nursing Facility Physical Function Reduced 16-18			
PD2	Nursing Facility Physical Function Reduced 11-15NR			
PD1	Nursing Facility Physical Function Reduced 11-15			
PC2	Nursing Facility Physical Function Reduced 9-10NR			
PC1	Nursing Facility Physical Function Reduced 9-10			
PB2	Nursing Facility Physical Function Reduced 6-8NR			
PB1	Nursing Facility Physical Function Reduced 6-8			
PA2	Nursing Facility Physical Function Reduced 4-5NR			
PA1	Nursing Facility Physical Function Reduced 4-5			

Self-Insured Claims - Self-insurers will negotiate rates. Contact the self-insurer directly.

Boarding Homes and Adult Family Homes: Billing codes and reimbursement rates for State Fund claims.

Procedure Code	Description	Daily Rate
8891H	Adult family home residential care for injured worker (per day)	$ 186.55
8892H	Boarding home residential care for injured worker (per day)	$ 85.70

Self-insurers will negotiate rates. Contact the self-insurer directly.

Already Existing Reimbursement Arrangements: Billing code and reimbursement rate.

Procedure Code	Description	Daily Rate
8902H	Negotiated Reimbursement Arrangements	BR

Note: Providers with existing negotiated arrangements for State Fund claims may continue their current arrangements and continue to bill using code 8902H for the remainder of time the injured worker is treated unless the injured workers need for services no longer exists or the injured worker is transferred to a new facility.

Self-insurers will negotiate rates. Contact the self-insurer.

Where is more information available?

The web site http://www.lni.wa.gov/ links to the Medical Aid Rules and Fee Schedules.
For TDD, call 1-800-833-6388

Miscellaneous Information

All providers submitting State Fund claims information (not billing data) should have the worker name and claim number on the top right corner of each page. State Fund claims information should be mailed to:

Department of Labor and Industries
PO Box 44291
Olympia, Washington 98504

For claims information policies on self-insured claims, contact the self-insurer directly.

Use plain; white 8.5" x 11" paper, one side only. Do not use:

Colored paper
Carbonless paper
Highlighter markings
Shaded areas
Dark or black borders or logos, especially on the top